TEXAS DEPARTMENT OF INSURANCE
Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
DOCTORS HOSPITAL AT RENAISSANCE

Respondent Name
FIRST LIBERTY INSURANCE CORPORATION

MFDR Tracking Number
M4-17-1731-01

Carrier's Austin Representative
Box Number 01

MFDR Date Received
February 7, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "After reviewing the account we have concluded that reimbursement received was inaccurate."

Amount in Dispute: $461.08

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Since the payable lines have an S,T,V APC payment code, codes with a Q1 Status Indicator are not payable."

Response Submitted by: Liberty Mutual

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 14, 2016	Outpatient Hospital Services	$461.08	$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the acute care hospital fee guideline for outpatient services.

3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 193 – THE CHARGE FOR THIS PROCEDURE EXCEEDS THE FEE SCHEDULE ALLOWANCE.
   - B13 – THE CHARGE FOR THIS PROCEDURE EXCEEDS THE FEE SCHEDULE ALLOWANCE.
   - MOPS – SERVICES REDUCED TO THE OUTPATIENT PERSPECTIVE PAYMENT SYSTEM (OPPS).
   - MSIN – THIS IS A PACKAGED ITEM. SERVICES OR PROCEDURES INCLUDED IN THE APC RATE, BUT NOT PAID SEPARATELY.
   - P300 – CHARGE EXCEEDS FEE SCHEDULE/MAXIMUM ALLOWABLE OR CONTRACTED/LEGISLATED FEE ARRANGEMENT.
   - W3 – THE CHARGE FOR THIS PROCEDURE EXCEEDS THE FEE SC
   - Z652 – RECOMMENDATION OF PAYMENT HAS BEEN BASED ON A PROCEDURE CODE WHICH BEST DESCRIBES SERVICES RENDERED.
   - Z710 – THE CHARGE FOR THIS PROCEDURE EXCEEDS THE FEE SCHEDULE ALLOWANCE.
   - ESIE – ACCORDING TO CMS RULES, STATUS INDICATOR E CODES ARE NOT PAYABLE ON OPPS.
   - X598 – CLAIM HAS BEEN RE-EVALUATED BASED ON ADDITIONAL DOCUMENTATION SUBMITTED; NO ADDITIONAL PAYMENT DUE.

Issues

1. What is the applicable rule for determining reimbursement for the disputed services?
2. What is the recommended payment amount for the services in dispute?
3. Is the requestor entitled to additional reimbursement?

Findings

1. This dispute regards outpatient hospital facility services with reimbursement subject to the provisions of 28 Texas Administrative Code §134.403, which requires that the reimbursement calculation used for establishing the maximum allowable reimbursement (MAR) shall be the Medicare facility specific amount, including outlier payments, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register with the application of minimal modifications as set forth in the rule.

   Per §134.403(f)(1), the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment shall be multiplied by 200 percent, unless a facility or surgical implant provider requests separate reimbursement of implantables. Review of the submitted documentation finds that separate reimbursement for implantables was not requested.

2. Medicare's Outpatient Prospective Payment System (OPPS) assigns an Ambulatory Payment Classification (APC) for billed services based on procedure codes and supporting documentation. The APC determines the payment rate. Hospitals may be paid for more than one APC per encounter. Payment for ancillary items and services without procedure codes is packaged into the payment for the APC. The Centers for Medicare and Medicaid Services (CMS) publishes quarterly lists of APC rates in the OPPS final rules, available from www.cms.gov. Reimbursement for the disputed services is calculated as follows:

   - Procedure code 72170, 72100, and 73562 have status indicator Q1 denoting STVX-packaged codes. Reimbursement for this service is included in the payment for procedure code 99283 billed on the same claim. This code is not separately payable unless no other status S, T, V or X code is billed on the same date. A modifier is not appropriate. Separate payment is not recommended.
   - Procedure code 99283 has status indicator J2, denoting a hospital or emergency room visit (including observation and critical care services). This is classified under APC 5023, which, per OPPS Addendum A, has a payment rate of $195.98, multiplied by 60% for an unadjusted labor-related amount of $117.59, which is multiplied by the facility's annual wage index of 0.7989 for an adjusted labor amount of $93.94. The non-labor related portion is 40% of the APC rate, or $78.39. The sum of the labor and non-labor portions is $172.33. The cost of these services does not exceed the annual fixed-dollar threshold of $3,250. The outlier payment is $0. The Medicare facility specific reimbursement of $172.33 is multiplied by 200% for a MAR of $344.66.
   - Procedure code Q0162 and J2270 have status indicator N, denoting packaged codes that are integral to the total service package with no separate payment; reimbursement is included in the payment for the primary services.
   - Procedure code A9270 has status indicator E, denoting excluded or non-covered codes, not payable on an outpatient bill. Payment is not recommended.

- Procedure code 96372 has status indicator S, denoting significant OPPS procedures paid separately by APC—not subject to reduction. This is classified under APC 5692, which, per OPPS Addendum A, has a payment rate of $42.31, multiplied by 60% for an unadjusted labor-related amount of $25.39, which is multiplied by the facility's annual wage index of 0.7989 for an adjusted labor amount of $20.28. The non-labor related portion is 40% of the APC rate, or $16.92. The sum of the labor and non-labor portions is $37.20. The cost of these services does not exceed the annual fixed-dollar threshold of $3,250. The outlier payment is $0. The Medicare facility specific reimbursement is $37.20. This amount multiplied by 200% yields a MAR of $74.40.

3. The total recommended payment for the services in dispute is $419.06. The total amount previously paid by the insurance carrier is $419.08, leaving an amount due to the requestor of $0.00. No additional reimbursement can be recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is $0.00.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to $0.00 additional reimbursement for the services in dispute.

Authorized Signature

	Grayson Richardson	March 17, 2017
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with Rule §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012**.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.